

**TERMS OF REFERENCE OF THE  
RISK MANAGEMENT COMMITTEE OF  
VITAL MOBILE HOLDINGS LIMITED**  
**維太移動控股有限公司**  
(the “Company”)

**1. Composition**

- 1.1 Members of the Risk Management Committee shall be appointed by the board of directors (the “Board”) of the Company. The Risk Management Committee shall comprise a minimum of three directors, of which one member shall be the chairman of the Board and the other two members shall be the directors of the Company.
- 1.2 The term of office of the Risk Management Committee shall be concurrent with that of the Board. A member of the Risk Management Committee may serve further terms if re-elected upon conclusion of his/her current term. If any member ceases to be a director of the Company during his/her term of office, he/she shall automatically cease to be a member of the Risk Management Committee. The vacancy shall be filled by the Risk Management Committee in accordance with Articles 1.1 above.

**2. Duties and Powers**

- 2.1 The duty of the Risk Management Committee is to assist the Board in (i) deciding the Group’s risk level and risk appetite; (ii) considering the Group’s risk management strategies and giving guidelines where appropriate; and (iii) ensuring the soundness and effectiveness of the Group’s internal control system to safeguard the investment of the shareholders and the assets of the Company.
- 2.2 The primary duties and powers of the Risk Management Committee shall include the following:
- (a) to consider the Company’s risk management strategies;
  - (b) to consider, review and approve the risk management policies and guidelines;
  - (c) to decide on risk levels, risk appetite and related resources allocation;
  - (d) to approve major decisions affecting the Group’s risk profile or exposure and give such guidelines as it considers appropriate;
  - (e) to approve major risk management activities such as hedging transactions;
  - (f) to consider the Company’s risk management strategies;
  - (g) to review the Group’s approach to risk management and approve changes or improvements to key elements of its processes and procedures;

- (h) to oversee the Company's risk management and internal control systems on an ongoing basis, ensure that a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries has been conducted at least annually and report to shareholders that it has done so in its Corporate Governance Report, the scopes of which shall cover each and every key aspect of the control systems including the financial control system, operation control system and compliance control system, and to consider, in particular, the following matters in the annual review under the risk management system:
  - (i) the changes, since the last annual review, in the nature and the extent of significant risks and the Company's ability to respond to changes in its business and external environment;
  - (ii) the scope and quality of the management's ongoing monitoring of the risks and the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;
  - (iii) the extent and frequency of communication of monitoring results to the Board (or Board Committee(s)) which enables it to assess control of the Company and the effectiveness of risk management;
  - (iv) significant control failings or weakness that have been identified during the period, and the extent to which they have results in unforeseen outcomes or contingencies that have had, may have or may in the future have, a material impact on the Company's financial performance or condition; and
  - (v) the effectiveness of the Company's procedures on financial reporting and the compliance of the provisions under the Listing Rules;
- (i) to prepare for the Board's review and approval the disclosure of, in the Corporate Governance Report, a narrative statement on how the Company has complied with the risk management and internal control code provisions during the reporting period. In particular, the Company should disclose:
  - (i) the process used to identify, evaluate and manage significant risks;
  - (ii) the main features of the risk management and internal control systems;
  - (iii) an acknowledgement by the Board that it is responsible for the risk management and internal systems and reviewing their effectiveness. It should also explain that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss;
  - (iv) the process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects; and
  - (v) the procedures and internal controls for the handling and dissemination of inside information; and
- (j) to conduct any other matters delegated by the Board.

### **3. Procedures for Decision-making**

- 3.1 The Risk Management Committee shall have access to such information and advice, whether from sources within and outside the Group as it deems necessary.
- 3.2 The meeting of the Risk Management Committee shall assess the risk management strategies of the Company and the major decisions affecting the Group's risk profile or exposure.
- 3.3 The Risk Management Committee shall submit relevant written resolution(s) to the Board for its discussion, consideration and approval.

### **4. Rules of Proceedings**

- 4.1 The Risk Management Committee shall meet at least annually. The attendance of the majority of the members of the Risk Management Committee shall be required to form the quorum for a meeting. Each member shall have one vote and any resolution of the meeting shall be passed by more than one half of all members. In case of a tie in votes, the chairman conducting the proceedings of the meeting may cast the deciding vote.
- 4.2 The meeting of the Risk Management Committee may be convened by any one of its members or the company secretary.
- 4.3 The notice and agenda of a meeting shall be given to the Board/all members of the Risk Management Committee at least seven (7) days prior to the meeting.
- 4.4 A member of the Risk Management Committee may attend a meeting of the Risk Management Committee in person, or participate in the meeting through other electronic communication means or other manners agreed by the members.
- 4.5 A resolution in writing signed by all members of the Risk Management Committee then incumbent, albeit respectively at different times and locations, shall be equally valid and carry the same effect as a resolution duly passed at a duly convened and held meeting of the Risk Management Committee.
- 4.6 Where necessary, the Risk Management Committee may also invite directors and senior management members of the Company to attend the meeting.
- 4.7 If a member of the Risk Management Committee is interested in any way, directly or indirectly, in the contracts entered into or contracts or arrangements proposed to be entered into by the Company, he/she must declare the nature of his/her interests at the meeting of the Risk Management.
- 4.8 If a member of the Risk Management Committee has material personal interests, whether directly or indirectly, in the contracts entered into or contracts or arrangements proposed to be entered into by the Company, he/she shall abstain from voting in respect thereof, otherwise his/her vote shall not be counted towards the total number of votes.
- 4.9 The Company shall provide sufficient resources to the Risk Management Committee to facilitate the performance of its duties. Where necessary, the Risk Management Committee may obtain independent advice at the cost of the Company.

- 4.10 Where necessary, the Risk Management Committee may engage agencies at the cost of the Company to provide professional advice in relation to its decisions.
- 4.11 The company secretary shall act as the secretary to the Risk Management Committee. The company secretary (or the representative appointed by the company secretary or the person appointed by the Risk Management Committee at the meeting if the company secretary is unable to attend) shall attend the meeting of the Risk Management Committee and take minutes for the meeting.
- 4.12 The Risk Management Committee shall cause all agenda and minutes of meetings of the Risk Management Committee to be included in the meeting minutes of the Company, and such meeting minutes shall be signed by the chairman of the meeting at which such agenda is conducted or the chairman of the immediate next meeting.
- 4.13 The secretary to the Risk Management Committee shall circulate the minutes and reports of the meetings of the Risk Management Committee to all members of the Board for their review.

## **5. Miscellaneous**

- 5.1 These terms of reference shall be implemented from the date on which they are approved by the Board of the Company by way of a resolution.

**BOARD OF DIRECTORS**  
**VITAL MOBILE HOLDINGS LIMITED**  
**維太移動控股有限公司**  
30 December 2015

Effective as from 30 December 2015